GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Revenue (Commercial Taxes) Department - Incentive Awards –Grant of Performance based incentive awards to Employees of A.P. Commercial Taxes Department – Orders – Issued.

REVENUE (COMMERCIAL TAXES) DEPARTMENT

G.O.Ms.No.384 **Dated.07.08.2023.**
Read:

From the CCST vide e-office File no.REV03-17029/2/2023-D SEC-CCT.

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In the reference read above, the Chief Commissioner of State Tax, Andhra Pradesh, has submitted a proposal relating to introduction of Performance based incentive awards scheme to the employees of A.P. Commercial Taxes Department with the following objectives, Principles Governing Grant of Incentive Awards, Scheme for Granting Incentives and other conditions, stating that the Commercial Taxes Department plays an important role in contributing revenue to the State exchequer and Incentives act as catalysts to drive exceptional performance, foster collaboration, and ensure robust and effective administration and requested for issue of suitable Government orders.

2. The Commercial Taxes Department has initiated capacity building measures through multi-tiered and continuous training programmes to its employees. It has also formulated a set of objective and standardized performance evaluation metrics for officials working at different levels to benchmark themselves and strive for excellence.

3. Objective:

a. The objective of introduction of incentives awards in the Commercial Taxes Department is to drive revenue growth, improve compliance, streamline processes, enhance the quality of audit and enforcement functions, promote skill development, foster innovation, and best practices, and provide excellent taxpayer services. By aligning incentives with these objectives, a more efficient, effective, and taxpayer-centric tax administration system can be created. Tax officials shall be encouraged to effectively identify and address non-compliance issues, reducing tax evasion and increasing overall compliance levels.
b. By rewarding officials for their efforts a culture of tax compliance within the system can be established. Furthermore, by incentivizing high-quality audits, effective enforcement actions, and successful prosecution of tax evaders, a deterrent effect can be created and tax evasion can be reduced, while contributing to a fair and transparent tax administration system.
c. To cultivate expertise and excellence within the department, three important wings are identified at headquarters i.e., IT & DAC, Legal and Training. The objective of providing incentives to these core functional units is to promote compliance, excellence, efficiency, and capacity building. The incentives would motivate the Data Analytics Unit to identify strong signals of likely revenue leakages, patterns of tax evasion, and non-compliant taxpayers. Similarly, the incentive scheme would encourage the Legal unit to provide prompt and accurate legal support to field officials in adjudication and preparation

(P.T.O.)

of counter affidavits, assist the general counsels in effectively representing the Department's interests, minimize legal risks, and effectively handle tax disputes. Incentives are also expected to encourage the Training unit to develop and deliver high-quality training content and programs, enhance the skills and knowledge of tax officials, and enable them to effectively administer tax laws.

d. Apart from this, the department proposes to provide incentives to the best performers in each identified activity within the Commercial Taxes Department. By recognizing and rewarding exceptional performance, it is expected to create a high-performing organization that consistently delivers outstanding results and contributes to the overall growth and success of the department. This will create a positive competitive environment that encourages continuous improvement and sets higher benchmarks for performance. By setting a standard of excellence, it is aimed to improve the overall quality of service offered by the department, inspiring others to improve their skills and knowledge.
e. As a note of caution, credible and objective performance assessments are a challenge in the complex environment of public management. The identification of parameters and the manner of their combination is a matter of judgment. This is therefore a modest start at performance management, and the objective is to iterate and improve it over time based on feedback.

4. Principles Governing Grant of Incentive Awards:

The following are the broad principles governing the grant of incentives:

1. Incentives are given only for exceptional performance.
2. The benchmark for exceptional performance will necessarily be a stretch goal and be determined with the objective of improving individual and organizational standards.
3. The incentives are not an entitlement. Accordingly, if there are no exceptional performances, the award for that category will not be given for the year. Incentive awards will be restricted to those achieving the benchmark.
4. The criteria for grant of incentives would be drawn from the performance metrics calculated from the data captured in the AP CTD Dashboard.
5. The award will include a cash incentive and a commendation certificate. This is to highlight that the scheme goes beyond being a purely transactional cash incentive but a genuine recognition by the Department of the individual/group's exceptional performance.
6. Employees working in the Field offices, Regional Offices, and the Core functional units of DAC & IT, Legal, and Training in Head Office are eligible for awards based on their performance. The reward amounts may vary depending on the designation and number of officers selected in a category.
7. Additionally, awards will be given for various important parameters such as audit, inspection, innovations, adjudication orders, article contribution, case study preparation, legal case wins, and master trainers. The selection process for these awards involves calling for proposals, documentary proof submission, and formal interviews conducted by a committee of officials and experts.

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5. Scheme for Granting Incentives:

Part-A - Awards based on performance metrics.

The following awards will be given to the field staff (Officers & staff working in Circles, Divisions, and Regional Offices) based on Performance metrics developed to measure the performance parameters like efficiency, effectiveness, etc.

Sl. No	**Cadre of the employee**	**Maximum number of Awards**	**Amount of Award (in Rs) per employee**	**Total Amount (in Rs)**
1	Joint Commissioner	1	1,00,000	1,00,000
2	Deputy Commissioners	3	75,000	2,25,000
3	Assistant Commissioners	10	50,000	5,00,000
4	Deputy Assistant Commissioner	20	50,000	10,00,000
5	Goods and Service Tax Officer	30	40,000	12,00,000
6	Senior Assistant	30	25,000	7,50,000
7	Junior Assistant	30	20,000	6,00,000
8	Office Subordinate (OS)	20	10,000	2,00,000
	Total	**144***		**45,75,000**

*The number of incentives is the maximum number and the number of employees eligible for reward shall be selected by the selection committee subject to the maximum.

Part B: Best in class under core functional areas:

i. The best performers in the following "Best in class" core functional areas will receive awards as follows:

Sl. No	**Name of the team/activity**	**Maximum number of Awards**	**Amount of Awards (in Rs) for each activity**	**Total Amount in Rs.**
1	Top Audit teams	3	1,00,000	3,00,000
2	Top Inspection teams	3	1,00,000	3,00,000
3	Top Innovations (yielding revenue /practice)	3	1,00,000	3,00,000
4	Top Adjudication orders	3	1,00,000	3,00,000

5	Best Team who conducted trade meets and solved their problems	1	50,000	50,000
6	Best Article contribution (e-journal)	1	50,000	50,000
7	Best Case study preparation	1	50,000	50,000
8	Best Legal case won (yielding revenue other than deposit amount)*	1	50,000	50,000
	Total	**16**		**14,00,000**

ii. Performance-based incentives will be given based on the measurable aspects of work to the Core functional unit, viz, IT & DAC, Legal, and Training Cell as follows:

a. Cash award for Core functional units: (3x Rs. 5 Lakhs each) = Rs. 15 lakhs (@ Rs. 5 lakhs each).
   i. Core functional unit – DAC and IT – as a group work (for officers and IT team staff)
   ii. Core functional unit – Legal
   iii. Core functional unit – Training (including Master Trainers)
b. Commendations and medals will also be awarded upon successful completion of certain tasks or aspects of work based on a Results Framework.
c. Officers after successful completion of their tenure in the three wings may be accommodated in their choice of station, subject to transfer norms and availability of vacancies.
d. Further, all officers in the three wings will be sent on study tours or to pursue specialized training related to their respective domains.

6. The Table below summarizes the three kinds of awards.

Sl. No.	**Category of Awards**	**Source of data**	**Evaluation body**	**Total awards**	**Total Amount (in Rs)**
1	Field Staff	Dashboard & Performance metrics	IT-DAC and CCST	144	45,75,000
2	Best in class	Dashboard & Applications	Evaluation Committee	16	14,00,000
3	Core Functional Units	Dashboard	Evaluation Committee	3 groups	15,00,000
					74,75,000

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7. Principles / guidelines for granting incentives:

a. In addition to cash incentives, commendations and medals, rolling trophies will be given as part of the award to boost the morale and interest of the employees.
b. An employee shall not be eligible for two awards in the same year and similarly an employee shall not be eligible to get incentive in consecutive years under the same category. However, the power to relax this condition lies with CCST, for exceptional contributions made by an individual or a group.
c. Application for awards for "Best in class" category specified under item No.(i) of Part-B shall be received by the end of May each year from individuals or Groups in the prescribed form.
d. To ensure objectivity and reliability, the performance evaluation will be based primarily on the data captured from the BO Portal and on the AP CTD Dashboard. The selection for incentive awards will be done by a committee of officers based on this data. The evaluation metrics for each category of incentive award will be separately announced.
e. The awards specified in Part-A shall be evaluated by the IT-DAC and the Chief Commissioner of State Tax. The awards for the 'Best in class' and the '3 (Three) Core functional units in the Head Office' specified in Part-B (i and ii) shall be evaluated by a Committee comprising of the Chief Commissioner of State Tax, one Commissioner and one Additional Commissioner or Joint Commissioner, before the end of the June each year.
f. Unlike the two reward schemes followed by the CBIC and the Kerala Goods and Services Taxes Department, the reward scheme proposed by the AP Commercial Taxes Department under PART-A is unique in all aspects because the performance of the officers in many functional areas are proposed to be measured on the basis of the data retrieved in the Dashboard from the GSTN portal and APTIS portal maintained by the AP Commercial Taxes Department to avoid human interface in the selection of employees for rewards.

8. Government, after careful consideration of the proposal of the Chief Commissioner of State Tax, Andhra Pradesh, hereby accept the same and accord permission to him for introduction of Performance based incentive awards scheme to the Employees of A.P. Commercial Taxes Department from FY 2023-24 onwards.

9. The Chief Commissioner of State Tax, Andhra Pradesh shall take further necessary action accordingly in the matter.

10. This order issues with the concurrence of the Finance Department vide their U.O. No: FIN01-FMU0MISC/296/2023-FMU-REV, Dt.09.07.2023.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRDESH)

N GULZAR
SECRETARY TO GOVERNMENT (CT) FINANCE

To
The Chief Commissioner of State Tax, A.P., Kunchenapalli, Guntur District.

Copy to:

The Finance (FMU.REV) Department, A.P. Secretariat, Velagapudi.
The P.S. to Secretary to Hon'ble CM, A.P. Secretariat, Velagapudi.
The OSD to Hon'ble M (Fin&plng, CT, LA and SD&T), A.P. Secretariat, Velagapudi.

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The OSD to Chief Secretary to Government, A.P. Secretariat, Velagapudi.
The P.S. to Secretary (CT) Finance, A.P. Secretariat, Velagapudi.
SF/SC.

//FORWARDED:: BY ORDER//

SECTION OFFICER